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IN THE

Supreme Court of the United States

OCTOBER TERM, 1952.

No. 530

HANSEN MANUFACTURING COMPANY, INC.,
Petitioner,

vs.

GENERAL TIME CORPORATION,
Respondent.

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SEVENTH CIRCUIT AND BRIEF IN SUPPORT THEREOF.

CASPER W. OOMS,
RALPH G. LOCKWOOD,
ISIDOR KAHN,
HARRY P. DEES,
Attorneys for Petitioner.

KAHN, DEES, DONOVAN & KAHN,
Of Counsel.

THE BLAKEMORE-WARREN PRINTING COMPANY, CHICAGO

TABLE OF CONTENTS.

	PAGE
Petition for Writ of Certiorari	1-9
Short Statement of the Case	1
Opinions Below	7
Jurisdiction	7
Question Presented	7
Reasons Relied Upon for Allowance of the Writ	7
Brief in Support of Petition for Writ of Certiorari	11-19
Specification of Error	11
Argument	12
Summary of Argument	12
Conclusion	19

Table of Cases and Authorities.

Faulkner v. Gibbs, 170 F. 2d 34, 37 (1948); affirmed 338 U. S. 267 ..... 8, 16

General Metals Powder Co. v. Wellman, 157 F. 2d 505, 512 (1946) 8, 16

Goodyear Tire & Rubber Co. v. Ray-O-Vac Co., 321 U. S. 275, 278 ..... 13, 17

Graver Tank & Mfg. Co. v. Linde Air Products Co., 336 U. S. 271, 275 ..... 12, 18

Hanovia Chemical Mfg. Co. v. Buttrick, 127 F. 2d 888, 890, 891 (1942) 7, 14

Jacuzzi Bros. v. Berkeley Pump Co., 191 F. 2d 632, 634 (1951) 8, 16

Lincoln Stores, Inc. v. Nashua Mfg. Co., 157 F. 2d 154, 163 (1947) 8, 16

National Aluminate Corp. v. Permutit Co., 145 F. 2d 175, 178 (1944) 8, 16
O'Leary v. Liggett Drug Co., 150 F. 2d 656, 663, 666-667 (1945) 8, 16
Ryan Distributing Corp. v. Caley, 147 F. 2d 138, 140 (1945) 8, 16
Strong-Scott Mfg. Co. v. Weller, 112 F. 2d 389, 395 (1940) 8, 16
Thomson Spot Welder Co. v. Ford Motor Co., 265 U. S. 445, 446 12
Trico Products Corp. v. Delman Corp., 180 F. 2d 529, 530 (1950) 8, 16
White v. E. L. Bruce Co., 162 F. 2d 304, 305, 307 (1947) 8, 16
Williams Mfg. Co. v. United Shoe Mach. Corp., 316 U. S. 364, 367 ..... 13, 17

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43 Illinois Law Review 535-540, September-October, 1948 7

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PETITION FOR WRIT OF CERTIORARI.

To the Honorable, the Chief Justice and Associate Justices of the Supreme Court of the United States:

Petitioner, Hansen Manufacturing Company, Inc., respectfully prays for a writ of certiorari to the United States Court of Appeals for the Seventh Circuit to review the judgment entered by that Court October 9, 1952, reversing the judgment of the District Court finding patentable invention. (R. 342.)

SHORT STATEMENT OF THE CASE.

Petitioner, Hansen Manufacturing Company, Inc., is the owner of United States Patent No. 2,298,373 (R. 279-285) for a Slow Speed Synchronous Motor of the type usually employed for operating clocks, small timing machines and similar devices. Respondent, General Time Corporation,

filed suit for declaratory judgment asking that the patent be held invalid as disclosing no patentable invention over nine prior patents and the existing state of the art, and also asking that the type M-4 clock (Pl. Ex. 2) be held not to infringe.

Synchronous electric clocks of the type here involved are miniature electrical motors, usually smaller than a tea cup. They consist essentially of a coil winding, through which the electric current passes, surrounding a core of soft iron which is extended into field pieces. These constitute the opposed poles of the magnetic field created when current flows through the coil. A hardened steel ring is mounted on the axis of the motor so that it can rotate adjacent to these poles.

The coil is energized by alternating current which is generated at the power station. The cyclical frequency of this current (usually sixty cycles per second) is so precisely controlled that it is now universally available to operate clocks very accurately. The current alternately flows through the coil in one direction and then in the other, and thus alternately changes the polarity of each pole at each cycle. This creates a constantly changing flow of magnetic flux between the respective poles which energizes the hardened steel rotor and compels it to rotate in synchronism with the flow of the alternating current.

Although the basic structure of synchronous electric motors is very simple, the arrangement and combination of the few parts which are available for incorporation into a successful structure to employ efficiently the minute forces involved are extremely critical. Necessarily, there has been a great variety of forms of structure developed and the success of these structures in the highly competitive market has varied correspondingly.

In the prosecution of its patent application of 1944

(Ex. D) Respondent's patent attorney had stated to the Patent Office:

> "These small synchronous clock motors *are very susceptible to any change.* It is not a simple matter to take parts from one motor and place them in another type as often this will change the characteristics of the motor so that it will not be satisfactory." (R. 252.)

The Hansen invention may be described as a new combination of pole piece structure and arrangement in an axial type synchronous electric motor having an axially position magnetic core with outer axially disposed pole pieces arranged in pairs about the field member and mounted on one end of the core, the distance between the center lines of the adjacent pairs of pole pieces all being equal; inner radially disposed and paired pole pieces radiating from a disk mounted on the other end of the core, positioned with respect to the axial pole pieces so that one inner pole piece extends to one side of a given pair of axial pole pieces and the adjacent inner pole piece extends to the other side of said pair of axial pole pieces; and wherein the tips of all the radial pole pieces are spaced from the axial pole pieces to leave an annular opening to receive a rotor. (R. 284.) There is no teaching in the prior art suggesting the Hansen invention.

The trial in the District Court had lasted several days, and the testimony was almost entirely (R. 87-130; 145-213; 217-229) that of experts and their demonstration of operating motors and models.

The District Court made specific findings both on the commercial success and inventive character of the patented motor:

> "7. • • • The patented motor received immediate commercial acceptance with over two million having been manufactured and sold by Defendant alone, and

the patent has been respected as to its validity and scope by other manufacturers and users of such motors.

"8. The patent in suit discloses and claims a new structural combination of old elements producing a new and beneficial result in a more facile, economical and efficient way, namely: It has less flux leakage; is a more efficient motor; is more economical to fabricate and assemble; is in a more compact form for mounting; and greater starting and running torque is developed with less power in-put as compared with the prior art patent disclosures and motors." (R. 260-261.)

• • • • •

"20. Claims 4, 9, 10 and 11 of Defendant's patent in suit are each directed to a new structural combination patentably distinguishing from the prior art disclosures, and are infringed by the structure of Plaintiff's M-4 motor." (R. 265.)

The District Court also entered detailed findings of fact (R. 259-266) upon each of the defenses of anticipation and lack of invention, and held the patent in suit not anticipated but inventive over the prior art. Infringement was also adjudged.

The Seventh Circuit Court of Appeals reviewed the case, agreed with the District Court that there was no anticipation of the invention, but independently reviewed the factual evidence and held that there was no invention. (R. 330-341.)

In its review, the Court of Appeals flatly ignored the mandate of Federal Rule 52(a) that:

"• • • Findings of fact shall not be set aside unless clearly erroneous, and due regard shall be given to the opportunity of the trial court to judge of the credibility of the witnesses."

In its opinion the Court of Appeals narrowed the question before it to the simple question of fact whether or not the patent disclosed a departure from the prior art which was inventive in character rather than merely the effect of the skilled artisan.

It resolved this factual issue upon its own independent examination of the patents in evidence, the physical exhibits and the construction of that evidence by experts.

The Court defined and resolved the issue in these passages from its opinion:

> "* * * The question then, is whether, by their adoption of elements disclosed by the prior art and their combination of those elements, they achieved patentable invention in their assertion of reduction of 'flux leakage.'
>
> "This question depends entirely upon the interpretation to be given the patents in evidence, the proceedings in the Patent Office, certain other documents and the physical exhibits, for, so far as the scientific facts are concerned, there is no crucial dispute in the testimony of the experts of the respective parties, who, after all, merely attempted to construe the documentary and physical evidence, a task eventually for this court. In other words, there is no vital dispute in the expert testimony and the ultimate question becomes one of whether this documentary and physical evidence is sufficient to sustain the finding of the District Court that patentable invention resulted." (Opinion, R. 334.)
>
> • • • • •
>
> "Thus we are confronted with the specific question of whether this combination of old elements amounts to patentable invention because of the advantages enumerated, namely, a more facile, economical and efficient operation in that it has less flux leakage and, therefore, a more efficient motor, is more economical to fabricate and assemble, is in a more compact form and, finally, has a greater starting and running torque,

developed with less power in-put, as compared with the prior art disclosures. To answer this inquiry properly requires consideration of what had actually been done before and of just how much or how little the so-called new combination differs from or improves patentably upon the devices of the prior art." (Opinion, R. 335.)

* * * * *

"It must be conceded that no one device of the prior art completely anticipates the claims in suit. They offer a combination similar to previous combinations but not entirely the same as any one of them. But we think that the question of patentable invention in this case can not be limited to an inquiry of merely whether one of the prior combinations anticipated it but rather is a question of whether a skilled workman delving in the art and with all the prior art before him, knowing the status of the art, adopting only old elements and knowing full well the use of each, would have built the same device, that is, the status of the prior art was such as to teach any skilled motor-maker how and why to make the Hansen motor." (Opinion, R. 339.)

* * * * *

"We think defendant's contribution is clearly within the category of combinations found to lack patentable invention in these cases. Every element was old. The operations of the several factors were the same as taught by the art. The patentees may have produced a more compact, more efficient motor; they may have reduced the leakage of flux; but what they did was within the knowledge of any skilled artisan in the trade. The result achieved is the same as that of the prior art, improved only by the ordinary skill of the worker in the art." (Opinion, R. 340-341.)

OPINIONS BELOW.

The opinion of the Court of Appeals appears in the record at pages 330 to 341, and in 199 F. 2d 259.

The District Court rendered no opinion, but entered detailed Findings of Fact and Conclusions of Law. (R. 259-266.)

JURISDICTION.

Jurisdiction of this Court is invoked under 28 U. S. C., Secs. 1254(1) and 2101(c). Judgment was entered by the Court of Appeals on October 9, 1952. (R. 342.)

QUESTIONS PRESENTED.

The single question presented is whether in the face of the prohibition of Federal Rule 52(a), a Court of Appeals, in the review of a patent case, may set aside a finding of fact of invention, where the District Court has made specific findings on that issue upon evidence which consists of prior art patents and physical structures (conceded not to anticipate) and testimony almost entirely of experts upon the method and efficiency of operation of the patented structure compared with the structures of the prior art.

REASONS RELIED UPON FOR ALLOWANCE OF THE WRIT.

1. The decision of the Circuit Court of Appeals for the Seventh Circuit* reversing a trial court's finding upon the factual issue of invention is in direct conflict with decisions of other Circuit Courts of Appeals on the same question:

First Circuit.

Hanovia Chemical Mfg. Co. v. *Buttrick*, 127 F. 2d 888, 890-891 (1942).

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* The treatment of invention as other than a finding of fact and the avoidance of Rule 52(a) on this issue by the Seventh Circuit Court of Appeals has been the subject of Law Review comment. (43 Illinois Law Review 535-540, September-October, 1948.)

Lincoln Stores, Inc. v. *Nashua Mfg. Co.*, 157 F. 2d 154, 163 (1947).

Third Circuit.

White v. *E. L. Bruce Co.*, 162 F. 2d 304, 305, 307 (1947).

Ryan Distributing Corp. v. *Caley*, 147 F. 2d 138, 140 (1945).

Sixth Circuit.

O'Leary v. *Liggett Drug Co.*, 150 F. 2d 656, 663, 666-667 (1945).

General Metals Powder Co. v. *Wellman*, 157 F. 2d 505, 512 (1946).

Eighth Circuit.

Strong-Scott Mfg. Co. v. *Weller*, 112 F. 2d 389, 395 (1940).

National Aluminate Corp. v. *Permutit Co.*, 145 F. 2d 175, 178 (1944).

Trico Products Corp. v. *Delman Corp.*, 180 F. 2d 529, 530 (1950).

Ninth Circuit.

Faulkner v. *Gibbs*, 170 F. 2d 34, 37 (1948), affirmed 338 U. S. 267.

Jacuzzi Bros. v. *Berkeley Pump Co.*, 191 F. 2d 632 (1951).

2. The question whether a Court of Appeals may substitute its judgment on the factual issue of invention for that of the District Court expressed in its findings, has led to inextricable confusion in the Courts of Appeals.

3. The question of whether the elusive factual issue of invention shall be resolved in the trial court by the auditor of the evidence or be subjected to the indecision of untrammelled appellate review is a critical question important both to the law of patents and that of federal procedure.

4. The limits of review available under the clear terms of Rule 52(a) upon the factual issue of invention is an important procedural question upon which this Court should speak.

Wherefore, Petitioner prays that a writ of certiorari be issued to review the judgment of the United States Court of Appeals for the Seventh Circuit.

Respectfully submitted,

CASPER W. OOMS,
RALPH G. LOCKWOOD,
ISIDOR KAHN,
HARRY P. DEES,
Attorneys for Petitioner.

Chicago, Illinois,
January 2, 1953.

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OCTOBER TERM, 1952.

No.

HANSEN MANUFACTURING COMPANY, INC.,
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vs.

GENERAL TIME CORPORATION,
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BRIEF IN SUPPORT OF PETITION FOR WRIT OF CERTIORARI.

The Petition contains the statement relating to the opinions below and jurisdiction, and a short statement of the case. (Pages 1 to 7 above.)

SPECIFICATION OF ERROR.

The Court of Appeals erred in setting aside a factual finding of invention made by the District Court, where the question was resolved by the District Court upon a comparison of physical structures demonstrated before it and the hearing of extended expert testimony upon abstruse phenomena of electricity and magnetism, and the Court of Appeals independently examined this evidence anew from the printed record.

ARGUMENT.

Summary of Argument.

On the factual issue of invention decided by the District Court largely on the testimony of experts, the Court of Appeals, flaunting Rule 52(a), retried the question and rendered a decision in direct conflict with decisions of several other Circuit Courts of Appeals. The confusion and conflict on this question raise important problems of patent and procedural law, obscure the functions of the District Courts, increase the burdens of the appellate courts, and leave in doubt the limits of the prohibitions of Rule 52(a). This Court should resolve this conflict and eliminate this confusion.

Argument.

Litigation presents no more difficult or fugitive factual issue than that presented by the question of invention in patent cases. The measure of the quality of innovation expressed in a patent, and its assignment to the category of invention rather than the handiwork of skilled craftsmanship, has always been a unique question of fact.

> "The question whether an improvement requires mere mechanical skill or the exercise of the faculty of invention, is one of fact;" *Thomson Spot Welder Co.* v. *Ford Motor Co.*, 265 U. S. 445, 446.

This Court has been repeatedly impelled to comment on the unique appropriateness of the rule according respect to the determination of the question of invention by the trier of facts.

> *Graver Tank & Mfg. Co.* v. *Linde Air Products Co.*, 336 U. S. 271, 275.

Williams Mfg. Co. v. *United Shoe Mach. Corp.*, 316 U. S. 364, 367.
Goodyear Tire & Rubber Co. v. *Ray-O-Vac Co.*, 321 U. S. 275, 278.

The case now before the Court demonstrates this with singular clarity. The invention at issue resides in a small electric motor employing little power but maintaining a speed of rotation sufficiently accurate to drive clocks. The few parts limit the choice of structural arrangements available. The size imposes other restraints. The purposes of the instrument leave no license for departures. That the art has been active is evident in the number of patents unsuccessfully asserted to anticipate. (R. 287-325.)

Commercial success was demonstrated. (Finding 7, R. 260.)

The issue of originality was clearly one for expert enlightenment. The District Court heard little testimony other than that of the experts enriched by physical demonstrations. (R. 87-229.) The District Court entered meticulous findings with respect to each piece of prior art. (Findings 9-16; R. 261-264.)

The Court summarized the features which distinguished the patented invention from the prior art and disclosed the presence of invention. (Finding 8; R. 261.)

A more appropriate situation for the application of Rule 52(a) can hardly be conceived.

Nevertheless the Court of Appeals, agreeing completely on the failure of the prior art to anticipate (R. 339), undertook, as it said, "to construe the documentary and physical evidence." (R. 334.)

Without the benefit of confrontation of the experts whose testimony constituted most of the record, the Court addressed itself to what it called "the specific question of

whether this combination of old elements amounts to patentable invention" because of the features of superiority (R. 335) which the District Court had specifically found to reside in the Hansen Motor. (R. 261.)

Upon this critical factual question the Court of Appeals rejected the findings of the District Court and in particular finding 20. This violated Rule 52(a).

In this respect the decision of the Court of Appeals is in direct conflict with several decisions of the Courts of Appeals of several other Circuits.

The Circuit Courts of Appeals Differ as to the Effect of the Findings of the District Court on the Question of Invention.

The question of invention recurs in practically every patent suit. It is the vital issue of fact wherever non-infringement or anticipation are not established. Accordingly, the volume of patent decisions in which the question of respect to be accorded the findings of the District Court upon this issue is great. In spite of the limited character of the issue involved, the question has been discussed, frequently with admissions of perplexity and doubt, at great length in practically every Circuit Court of Appeals.

The First Circuit Court of Appeals not only has repeatedly discussed the subject but has pointed out the common dilemma of appellate courts. In *Hanovia Chemical Mfg. Co.* v. *Buttrick*, 127 F. 2d 888, 890-891 (1942), the Court wavered on the clear proposition that the question is one of fact but nevertheless disclosed the confusion which surrounds it. The Court said (pp. 888-889; 890-891):

> "In the recent case of *B. F. Sturtevant Co.* v. *Massachusetts Hair & Felt Co.*, 122 F. 2d 900, 906, we held, citing *Thomson Spot Welder Co.* v. *Ford Motor Co.*, 265 U. S. 445, 44 S. Ct. 533, 68 L. Ed. 1098, that the

question of patentable invention was one of fact, and, according face value to that statement, concluded that we ought not to set aside the District Court's answer to that question unless clear error appeared. This approach to the problem is clearly sanctioned by some of the authorities, but in spite of this the fact remains that there are in the reports a great number of cases in which federal appellate courts have themselves, on the records before them, decided the question of patentable invention without according any weight whatever to the conclusion thereon reached below. Cases of this sort are too numerous to cite but the case of *Potts* v. *Creager*, 155 U. S. 597, 15 S. Ct. 194, 39 L. Ed. 275, and the recent case of *Weidhaas* v. *Loew's, Inc.*, 2 Cir., 125 F. 2d 544, are typical.

* * * * *

"Confusing and illogical as it seems, what the courts have done is to find a practical solution for a practical problem. In so far as the answer to the question of patentable invention hinges upon findings with respect to obscure or disputed issues calling for expert testimony either as to the nature of the device patented or as to the nature of the devices of the prior art, the view of the District Judge, who saw the experts on the stand, heard them testify and had the opportunity to ask them questions, is entitled to great weight and we should not venture to disagree with his view as to what these things are unless we are convinced that in some respect he has fallen into clear error. Rule 52(a), F. R. C. P. But on the other hand, when we can clearly comprehend from the record and the exhibits the nature both of the thing patented and of the things of the prior art, that is, when the facts are simple and we have as good access to the source of facts as the court below had, we are in as good a position as that court to compare the thing patented with the prior art, as well as to say whether or not the thing patented should be called an invention."

In spite of that Court's recognition of the rule and its repeated application, it has, nevertheless, because of its